

Message Text

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72

ACTION EB-11

INFO OCT-01 IO-12 AF-10 ARA-11 EA-11 EUR-25 NEA-10 RSC-01

AGR-20 CEA-02 CIAE-00 COME-00 DODE-00 FRB-02 H-02

INR-09 INT-08 L-03 LAB-06 NSAE-00 NSC-10 PA-03 AID-20

CIEP-02 SS-14 STR-08 TAR-02 TRSE-00 USIA-12 PRS-01

SAL-01 OMB-01 ADP-00 RSR-01 /219 W

----- 064565

R 151915 Z MAR 73

FM USMISSION GENEVA

TO SECSTATE WASHDC 8320

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS UNN

USMISSION OECD PARIS UNN

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PASS STR

E. O. 11652 N/ A

TAGS: ETRD, GATT, US, EEC

SUBJECT: GATT ARTICLE XXIV:6 RENEGOTIATIONS: FIRST EC- US
MEETING

BEGIN SUMMARY: US- EC XXIV:6 RENEGOTIATIONS INITIATED MARCH 15.
USDEL NOTIFIED ITEMS OF INTEREST AND MADE GENERAL STATEMENT
OF US APPROACH TO NEGOTS. LATTER INCLUDED STATEMENT US DOES
NOT ACCEPT EC PROPOSAL (L/3807). EC REP TOOK NOTE OF BUT
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RESERVED POSITION ON US STATEMENT AND NOTIFICATION OF INTEREST
PENDING OPPORTUNITY STUDY WRITTEN TEXTS. AGREEMENT REACHED

EXPERTS OF BOTH DELS WILL MEET MARCH 19 TO CLARIFY TECHNICAL QUESTIONS. NEXT REGULAR MEETING OF FULL DELEGATIONS FIXED MARCH 26. ATMOSPHERE OF MEETING HARMONIOUS. US AND EC REPS ALSO DISCUSSED RESPECTIVE INTENTIONS IN DEALING WITH PRESS. END SUMMARY

1. US AND EC DELS MET MORNING MARCH 15. EC DEL HEADED BY LUYTEN ACCOMPANIED BY TEN COMMISSION OFFICIALS AND ABOUT 40 REPS FROM MEMBER STATES. AFTER CORDIAL WELCOME, LUYTEN INVITED US TO PROCEED. US REP (PROPPS) DELIVERED (AND SUBSEQUENTLY CIRCULATED) TEXT OF STATEMENT PREPARED BY DELEGATION OVER PRECEDING DAYS ON BASIS APPROVED WASHINGTON MEMORANDA. THIS STATEMENT (A) OUTLINED SCOPE OF NEGOTS AS US SEES THEM (I. E., INCREASES OR UNBINDING OF BOUND RATES IN UK, DANISH OR IRISH SCHEDULES); (B) DESCRIBED METHOD US USED TO ASSERT RIGHTS OF NEGOTIATION OR INTEREST AS SUBSTANTIAL SUPPLIER AT MFN RATES (I. E., EXCLUDING SOME 40 CPS WHO HAVE NO INTEREST IN MFN CONCESSIONS BEING WITHDRAWN OR WILL NOT BE SUBJECT TO CXT OF ENLARGED EC); (C) STATED US DOES NOT ACCEPT EC PROPOSAL (GATT DOC L/3807) THAT EC NEGOTIATING PARTNERS TAKE AS AN ACCEPTABLE OFFER OF ADEQUATE COMPENSATION FOR THE PROPOSED WITHDRAWALS THE APPLICATION OF SCHEDULES XL AND XL BIS (MODIFIED TO ALTER CERTAIN TARIFF QUOTAS) TO THE TERRITORIES OF ALL NINE MEMBER STATES OF THE ENLARGED EUROPEAN COMMUNITIES; (D) EXPRESSED US UNDERSTANDING THAT EITHER EC AND ECSC SCHEDULES (XL AND XL BIS) ARE TO BE MODIFIED TO EXTEND THEIR TERRITORIAL APPLICATION TO THE THREE ACCEDING COUNTRIES OR THEY ARE TO BE WITHDRAWN TO BE REPLACED BY SCHEDULES INCLUDING ALL PRESENT CONCESSIONS AT RATES NO HIGHER THAN THOSE PRESENTLY SPECIFIED AND STATED THAT IN ANY CASE US RESERVES ALL US RIGHTS IN THESE SCHEDULES; (E) SAID NEGOTIATIONS SHOULD BE COMPLETED BEFORE NEXT SEPTEMBER (WHICH, IN PRACTICE, MEANS CONCLUSION IN JULY) AND STATED, " IF WE ARE UNABLE TO REACH AN AGREEMENT ON SATISFACTORY COMPENSATION, WE WOULD FEEL FREE TO MAKE COMPENSATORY WITHDRAWALS OF CONCESSIONS PURSUANT TO THE RIGHTS WE HAVE IN GATT. WE HAVE EVERY HOPE, HOWEVER, THAT WE CAN REACH A TIMELY AND SATISFACTORY AGREEMENT."

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2. US ALSO CIRCULATED LISTS OF ITEMS IN WHICH US FORMALLY NOTIFYING ITS INTEREST (BUT WITHOUT IDENTIFYING WHETHER BASED ON INR, PRINCIPAL, OR SUBSTANTIAL SUPPLIER). LISTS SHOW 1970-71 IMPORTS OF EACH ITEM FROM US, AND WERE SUBMITTED AS PROVISIONAL. LISTS WERE ACCOMPANIED BY A LIST OF CXT ITEMS WITHIN WHICH US CLAIMS RIGHTS TO COMPENSATORY ADJUSTMENTS.

3. SIX COPIES US STATEMENT AND ACCOMPANIED DOCUMENTS
POUCHED GARLAND (STR) FOR DISTRIBUTION TO INTERESTED
AGENCIES. OPENING STATEMENT BEING POUCHED ADDRESSEES.

4. EC REP SAID COMMUNITIES WOULD NEED SOME TIME TO
ANALYZE US STATEMENT AND LISTS BEFORE REACTING FORMALLY.
HE SPECIFICALLY RESERVED EC POSITION ON LIST OF COUN-
TRIES US EXCLUDED IN ASSERTING INTEREST AS A PRINCIPAL
SUPPLIER. HE SAID NEGOTIATING RIGHTS DEPEND ON TRADE
STATISTICS AND ANNOUNCED (WITH APOLOGY FOR LATENESS)
" FICHES" WITH TRADE DATA NEXT FEW DAYS, HOPEFULLY IN-
CLUDING IRISH 1971 DATA JUST RECEIVED IN BRUSSELS. HE
STRESSED LINK EC SEES BETWEEN ART. XXIV:6 AND ART. XXVIII.
SAID LIMITED BUT IMPORTANT OBJECTIVE OF NEGOTIATIONS IS
TO TRANSPOSE AND TO MAINTAIN IN THE TARIFF OF THE EN-
LARGED COMMUNITY THE GENERAL LEVEL OF CONCESSIONS
FORMERLY APPLIED IN THE CUSTOMS TARIFF OF COMMUNITY OF
SIX AND IN THE TARIFFS OF THE THREE ACCEDING COUNTRIES.
EC PARTNERS IN THESE NEGOTS MUST NOT EXTEND THEIR SCOPE
BEYOND THE LIMITS STIPULATED BY GATT AND CONFRONT THE
COMMUNITY WITH COMPENSATION REQUESTS OF GREATER SCOPE
THAN THOSE WHICH FLOW FROM THE APPLICATION OF THE CXT
OF THE ENLARGED COMMUNITY -- REQUESTS IN FACT INTENDED
TO SETTLE PROBLEMS RELEVANT TO A DIFFERENT CONTENT.
THE EC INTENDS TO MAKE THE NECESSARY EFFORTS TO MAINTAIN
THE EQUILIBRIUM OF MUTUAL ADVANTAGE RESULTING FROM THE
PROVISIONS OF GATT.

5. US AND EC DELS AGREED EXPERTS COULD MEET MARCH
19 TO CLARIFY ANY TECHNICAL POINTS WHICH MAY BE
UNCLEAR TO EC AFTER STUDYING US SUBMISSIONS AND TO GIVE
US SIDE AN OPPORTUNITY SEEK CLARIFICATION OF SOME
STATISTICAL DISCREPANCIES UNCOVERED IN PREPARING US SUB-
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MISSION. (EC REPS APPARENTLY DID NOT NOTICE US SUB-
MISSIONS DO NOT LIST BASIS OF US INTEREST, I. E., INR,
PRINCIPAL SUPPLIER, SUBSTANTIAL SUPPLIER; US DEL PRE-
PARED GIVE THESE TO EC UPON REQUEST WHICH WE ANTICIPATE
SHORTLY).

6. EC AGREEABLE US INTENTION GIVE ONE COPY OF US
DOCUMENTS TO GATT SEE AUTHORIZING LATTER TO SHOW THEM
(AND, IF SEC WISHES, MAKE COPY AVAILABLE) TO ANY CP
NEGOTIATING WITH EC UNDER XXIV:6.

7. US AND EC REPS DISCUSSED RESPECTIVE INTENTIONS IN
DEALING WITH PRESS. US REP NOTED EC NOT DENYING NEED
FOR SOME COMPENSATION AND SAID NATURE AND SCOPE THEREOF
IS PURPOSE THESE NEGOTIATIONS, WHICH ARE JUST STARTING.

EC REP EXPRESSED DESIRE AVOID PRESS DRAMATIZATION AND
SAID HE PLANNED TO STRESS TECHNICAL ASPECTS OF NEGOTIATIONS.

8. SECOND FORMAL SESSION SCHEDULED MARCH 26. RIMESTAD

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Draft Date: 15 MAR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: worrelsw
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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30 JUN 2005

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Subject: GATT ARTICLE XXIV:6 RENEGOTIATIONS: FIRST EC- US MEETING
TAGS: ETRD, US, EEC, GATT
To: STATE INFO BONN
BRUSSELS
COPENHAGEN
DUBLIN
THE HAGUE
LONDON
LUXEMBOURG

PARIS
ROME
EC BRUSSELS UNN
OECD PARIS UNN

Type: TE

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